

VZCZCXRO0593  
RR RUEHCN RUEHGH RUEHVC  
DE RUEHGZ #1095/01 2710839  
ZNR UUUUU ZZH  
R 280839Z SEP 07  
FM AMCONSUL GUANGZHOU  
TO RUEHC/SECSTATE WASHDC 6501  
INFO RUEHOO/CHINA POSTS COLLECTIVE  
RUEAIIA/CIA WASHDC  
RUEKJCS/DIA WASHDC  
RUEAEPA/HQ EPA WASHDC  
RUCPDOG/DEPT OF COMMERCE WASHDC  
RUEATRS/DEPT OF TREASURY WASHDC

UNCLAS SECTION 01 OF 02 GUANGZHOU 001095

SIPDIS

SENSITIVE  
SIPDIS

E.O. 12958: N/A

TAGS: [SENV](#) [ECON](#) [PGOV](#) [CH](#)

SUBJECT: EPA General Counsel Martella Talks Environmental Law in  
Guangzhou

¶1. (U) SUMMARY: Inadequate fines for polluters and lack of funding for inspectors have made punishment of environmental violations difficult in south China, according to local environmental officials. Public complaints about the quality of the environment are on the rise, and the proliferation of private automobiles continues to be a challenge. Chinese officials told U.S. Environmental Protection Agency (EPA) General Counsel Roger Martella that they were interested in U.S. approaches to environmental protection and want to increase interaction with EPA. END SUMMARY.

#### The Cost of Doing Business

-----

¶2. (SBU) There is a popular saying in China that "the cost of environmental compliance is high and the cost of breaking the law is low," according to Wu Hongjie, Director of the General Office of Environmental Inspection of the Guangdong Environmental Protection Bureau (EPB). On September 3, 2007, Wu told General Counsel Martella that the RMB 100,000 maximum fine for a single case is widely considered by polluters to be a cost of doing business. He said such fines do not deter factories because an owner can make up the cost after only one day of illegally discharging untreated water. Wu also complained that low levels of funding mean that fewer than 2,000 of the approximately 9,000 "environmental police" under his direction are available for site inspections. The rest have only administrative duties.

#### Complaints on the Rise

-----

¶3. (SBU) Public complaints about the environment were on the rise, according to Zheng Zewen, Chief of the Policies and Regulations Division of Guangzhou Environmental Protection Bureau. Last year, the city registered 18,000 complaints, which accounted for three percent of complaints nationwide and 24 percent of complaints in the province. Of these, 87 percent were related to waste gas and dust from factories and noise from construction sites and vehicles. Zheng also pointed out that China has a 24-hour environmental complaint hotline.

¶4. (SBU) Zheng believes that Guangzhou has done "a good job" of cutting pollution while maintaining economic growth. He noted that Guangzhou's 2004 GDP was RMB 440 billion and SO2 concentration was 0.077mg/ml. In 2006, the city's GDP reached RMB 680 billion, but SO2 concentration dropped to 0.053mg/ml. In addition, Zheng said the city's annual sulfur-removal capacity grew from less than 20,000 tons in 2004 to 98,000 tons in 2006.

¶5. (SBU) Zheng predicted that vehicle emissions would continue to be a major environmental challenge. The number of cars on the road in Guangzhou recently passed the one-million mark, and vehicle

emissions contribute 40 percent of air pollutants in the city. The municipal government hopes that advanced technology, including the use of cleaner fuels, will help to alleviate the problem.

#### Looking to the United States for Ideas

-----

¶16. (SBU) Both provincial and municipal officials showed interest in Martella's presentation on U.S. environmental law and the increasing use of environmental conflict resolution or "alternative dispute resolution" (ADR). The Chinese officials all expressed eagerness to increase cooperation with the U.S. EPA. Academics also took advantage of the visit to learn more about the U.S. system. Dean of the Sun Yat-sen University Law School Liu Heng, whose work concentrates on China's administrative remedy system, asked about the issue of legal standing to bring suit in U.S. environmental cases. Sun Yat-sen University professor Li Lei requested that General Counsel Martella outline environmental protection strategies for rural areas in the United States.

#### The Role of SEPA's South China Center

-----

¶17. (U) Yuan Dongling, Deputy Director General of the State Environmental Protection Agency (SEPA) South China Center, explained that his office, which was established in July 2006, is one of six regional centers throughout China. Though the Center is relatively new, Yuan said that it had already inspected 500 factories and was actively involved in inter-provincial environmental dispute resolutions. Future expansion plans include a staff increase from the 30 current workers to 65 employees, and the naming of two vice directors general. Yuan highlighted the challenge of protecting the environment while maintaining economic growth and also noted considerable room for improvement in funding levels and the legal

GUANGZHOU 00001095 002 OF 002

framework.

¶18. (U) The EPA delegation reviewed this cable before transmission.

GOLDBERG